

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF PUERTO RICO

IN RE:

JUAN J. PERAZA MORA  
GLORIA E. BATISTA MOLINA

D/B/A VAQUERIA JUAN J. PERAZA

DEBTORS

CASE NO. 14-01392 ESL

CHAPTER 12

**SECOND MOTION REQUESTING EXTENSION FOR THE USE OF CASH COLLATERAL**

TO THE HONORABLE COURT:

**HERE COMES** Debtors through the undersigned attorney and respectfully requests and prays for the following:

1. On February 26, 2014, Debtors, Juan J. Peraza Mora and Gloria E. Batista Molina, d/b/a Vaquería Juan J. Peraza, filed their instant voluntary petition pursuant chapter 12 of the Bankruptcy Code, 11 U.S.C. §1201 et.seq.
2. Debtors through this motion request permission pursuant to 11 U.S.C. § 363(c)(2), for the extension of the use of creditors, Cooperativa A/C Hatillo, Pan American Grain, Inc., Federación Asoc. Pecuarias and Bayview/Oriental Bank, cash collateral until the confirmation of the plan.
3. Debtors deliver their milk production to Vaquería Tres Monjitas, Inc., a fluctuating rate of .67¢ up to .85¢ per liter.
4. The production payment is based upon the percent that the Milk Industry pays during the month, the same varies month by month. This percent fluctuates from 57% to a 60% of the raw milk produced.
5. Debtors filed a Motion for the Use of Cash Collateral on March 13, 2014. It was purported in the Motion for Use of Cash Collateral the reasons as to the need for the requests. This Honorable Court granted Debtors requests and entered an Interim Order on March 12, 2014. See Docket #12
6. A motion for the extension of usage of collateral was filed on May 7, 2014. See Docket #23. This Honorable Court granted the requests for extending the usage of cash collateral. The use of

cash collateral was extended up until September 23, 2014. The later was the hearing date for the confirmation of the Chapter 12 plan.

7. On September 18, 2014, Debtors and Creditor, Oriental Bank, filed a joint motion requesting the rescheduling of the confirmation of the Chapter 12 plan. This motion was granted and as such the confirmation hearing was rescheduled for January 13, 2015. See Docket #36 and #37.

8. With this motion Debtors request a second extension to the use of Cash Collateral up until the confirmation of the Chapter 12 plan. Debtors' business solvency and the capacity to cover increasing costs in production are still affected.

9. Debtors continue to need the proceeds of the cash collateral in order to provide food intake to the herd and maintain the current production, and if possible increase it. During the past few months Debtors production has increased a little.

10. This fact will allow Debtors to provide for a repayment plan in benefit of all creditors, mainly secured creditor. In the meantime, Debtors propose to continue making monthly adequate protections payments to Oriental Bank in the amount of \$8,000.00. The adequate protection payment will be made by an assignment agreement through the processing plan, Vaquería Tres Monjitas ("VTM") to secured Creditor, Oriental Bank.

11. Secured creditor, Oriental Bank (hereinafter as "Oriental Bank") holds secured interests over Debtors' properties; one with a value of \$1,200,000.00 located at Carrizales Ward Sector Quinto Soto/Palma Gorda Carr 493 Km 1 Hm 0, Hatillo, Puerto Rico, and the other with a value of \$196,875.00 located at Carrizales Ward Sector Quinto Soto/Palma Gordo Carr. 493 Km 1 Hm 0, Hatillo, Puerto Rico.

12. Debtors' access to the cash collateral is pivotal to the continuance of the operations of the dairy farm and the avoidance of the death of the animals at the farm.

13. In light of the above, Debtors respectfully request the extension of the use of cash collateral up to the confirmation of the plan.

14. Debtors hereby enclose as **Exhibit "A"** the projections of use of the cash collateral for the next four (4) months.

15. Debtors will pay the amount of \$8,000.00 for Adequate Protection to Creditor, Oriental Bank through an assignment agreement with VTM.

16. Debtors will provide accounting information separate for the funds authorized to be used as part of the cash collateral. Operating reports will be filed monthly from the operations of the dairy farm.

17. Debtors also request this Honorable Court to order Vaquería Tres Monjitas, Inc. to stop making payments to the following creditors:

- a. Cooperativa A/C Hatillo
- b. Pan American Grain, Inc.
- c. Federación Asoc. Pecuarias

18. Debtors also request to this Honorable Court to Order Vaquería Tres Monjitas, Inc. to continue making payments to Programa de Higiene, Plan Medico a Ganaderos and Miscelaneo.

**WHEREFORE**, Debtors pray for an Order granting this motion with any other relief that in accordance to law this Honorable Court deems just and proper.

#### **NOTICE**

Within fourteen (14) days after service as evidenced by the certification, and an additional three (3) days pursuant to Fed. R. Bank. P. 9006(f) if you were served by mail, any party against whom this **SECOND MOTION REQUESTING EXTENSION FOR THE USE OF CASH COLLATERAL** has been served, or any other party to the action who objects to the relief sought herein, shall serve and file an objection or other appropriate response to this paper with the clerk's office of the United States Bankruptcy Court for the District of Puerto Rico. If no objection or other response is filed within the time allowed herein, the paper will be deemed unopposed and may be granted unless: (i) the requested relief is forbidden by law; (ii) the requested relief is against public policy; or (iii) in the opinion of the Court, the interest of justice requires otherwise.

I **CERTIFY** that this motion has been electronically filed using CM/ECF system and that a copy of the same was forwarded to: **José R. Carrión Morales**, Esq., Chapter 12 Trustee and all other parties in interest, and by mail to: **Ricardo Guzman y/o Mayra Rodriguez, Vaquería Tres Monjitas, Inc.** PO Box 366757 San Juan Puerto Rico 00936-6757; **Federación de Asociaciones Pecuarias**; Zona Portuaria PO Box 2635 Malecón, Mayagüez Puerto Rico 00681; **Cooperativa A/C Hatillo**, PO Box 95 Hatillo, Puerto Rico 00659; **Bayview/Oriental Bank**, P.O. Box 11750 Fernandez Juncos

Station San Juan, Puerto Rico 00910-1750; **Pan American Grain** P.O. Box 41136 Santurce, Puerto Rico 00940-1136; **Pedro L. Amador Delgado**, PO Box 1132, Hatillo, Puerto Rico 00659; **Maristella Sanchez Rodriguez, Esq.** Delgado & Fernandez LLC, PO BOX 11750, Fernandez Juncos Sta. San Juan, PR 00910-1750; **Federación de Asociaciones Pecuarias de PR**, O'Neill & Gilmore, PSC, Citibank Towers Suite 1701, 252 Ave. Ponce de León, San Juan, PR 00918; **Maximiliano Trujillo González, Esq.** PMB 429, 100 Grand Paseos BLVD Suite 112, San Juan, PR 00926- 5902; and to all parties in interest.

In Caguas, Puerto Rico, this 30th day of September, 2014.

**GRATACOS LAW FIRM, P.S.C.**

PO BOX 7571

CAGUAS, PUERTO RICO 00726

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By: /s/ Victor Gratacós Díaz (127906)

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF PUERTO RICO

IN RE:

JUAN J. PERAZA MORA  
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DEBTORS

CASE NO. 14-01392 ESL

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PROPOSED ORDER

Debtor's Motion requesting extension to use cash collateral is hereby granted. The Court enters a bridge order authorizing the use of cash collateral of creditors, Cooperativa A/C Hatillo, Pan American Grain, Inc., Federación Asoc. Pecuarias and Bayview/Oriental Bank, on an interim basis from the funds in Vaquería Tres Monjitas, Inc.'s now in possession and those that become in its possession thereafter, up to and including the amounts of \$90,740.00 for the month of October 2014, \$77,520.02 for the month of November 2014, \$87,171.04 for the month of December 2014, and \$113,353.06 for the month of January 2015, up until the confirmation.

The Court orders Vaquería Tres Monjitas, Inc. to stop making payments to Cooperativa A/C Hatillo, Pan American Grain, Inc., Federación Asoc. Pecuarias. Vaquería Tres Monjitas, Inc. shall make the payments directly to Debtors during this period.

In addition, Vaquería Tres Monjitas will make adequate protection payments through an assignment agreement in the amount of \$8,000.00 to Creditor, Oriental Bank.

The Court orders Vaquería Tres Monjitas, Inc. to continued payments to Programa de Higiene, Plan Medico a Ganaderos and Miscelaneo and to Oriental Bank in the monthly amount of \$8,000.00.

The Court also orders Vaquería Tres Monjitas, Inc. to turnover to Debtors any funds it may have on hands and pending distribution.

This order will become final and effective immediately upon being entered in docket.

IT IS SO ORDERED.

San Juan, Puerto Rico, this \_\_\_\_\_ of September, 2014.

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Enrique S. Lamoutte  
U.S. Bankruptcy Judge

PROJECTIONS VAQUERIA JUAN JOSE PERAZA MORA

OCTOBER 2014\*\*

MILKING 280 COWS; 11 LTS/DAY

PRODUCING 43,120 LTS BIWEEKLY

**OCCUPYING 56.78% OF MILK QUOTA***Exhibit A*

Enter: 7 heifers

Culled: 4

Dry cows: 240

Quota: 75,944 lts biweekly**INCOME:**

		\$
<b>MILK SALES</b> VTM	107,800 lts/35 days @ 81.623¢	87990.00
Cows sold for meat (2)		850.00
Indulac		0.00
others		0.00
Money in bank		<u>1900.00</u>
<b>Total Income:</b>		90,740.00

**Less dairy Farm Expenses**

Milk Assignments VTM; medical insurance & prog. Higi	450.98
Wages 5 employees \$1,757.00/wk	8783.00 5 wks
Payroll taxes 943 PR & Unemployment	2134.00
CFSE	0.00
Feed 22 lbs/cow/day @ \$19.50/Q	42042.00
Forage 38 bales/wk @ \$32.00/bale	6080.00
<b>Purchase of cattle</b>	0.00
Medicines and Veterinary	1520.00 vet. Semanal
Farm repairs and Maintenance	595.00
Milking equipment repairs and maintenance	300.00
Farm machinery (tractor, generator,...)	400.00
Car & Truck	200.00
Gasoline and Diesel	1650.00
Farm Insurance	600.00
Materials and Supplies	575.00
Utilities	2000.00
Professional Services: CPA	300.00
Attorney fees, licenses....	25.00
hoof technician	300.00
Semen & insemination	400.00
plaguicides and tick bath	120.00
milk weighing fees	216.00
Services employees not on payroll	3000.00
Freight	
Bank charges	100.00
Lease farm for dry cows and heifers, \$30.00/co	<u>1800.00</u>
<b>Total Farm expenses:</b>	73590.98

<b>Less Obligations:</b>	milk quota; interests	1920.00
	Oriental Bank Adeq. Protection	8000.00
	Trustee	<u>1000.00</u>

<b>Less personal Expenses</b>	<u>4000.00</u>
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<b>Total Farm, personal and Obligation expenses:</b>	88510.98
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<b>Net Income:</b>	<u><u>2229.02</u></u>
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PROJECTIONS VAQUERIA JUAN JOSE PERAZA MORA

NOVEMBER 2014

MILKING 280 COWS; 11.5 LTS/DAY

PRODUCING 45,080 LTS BIWEEKLY

**OCCUPYING 59.36% OF MILK QUOTA**

Enter: 7 heifers

Culled: 5

Dry cows: 242

Quota: 75,944 lts biweekly**INCOME:**

		\$
<b>MILK SALES</b> VTM	90.160 lts/28 days @ 81.623¢	73591.00
Cows sold for meat (4)		1700.00
Indulac		0.00
others		0.00
Money in bank		<u>2229.02</u>
<b>Total Income:</b>		77,520.02

**Less dairy Farm Expenses**

Milk Assignments VTM; medical insurance & prog. High	450.98
Wages 5 employees \$1,757.00/wk	7026.00
Payroll taxes 943 PR & Unemployment	1075.00
CFSE	0.00
Feed 22 lbs/cow/day @ \$19.50/Q	33634.00
Forage 38 bales/wk @ \$32.00/bale	4864.00
<b>Purchase of cattle</b>	0.00
Medicines and Veterinary	1520.00 vet. Semanal
Farm repairs and Maintenance	595.00
Milking equipment repairs and maintenance	350.00
Farm machinery (tractor, generator,...)	400.00
Car & Truck	200.00
Gasoline and Diesel	1650.00
Farm Insurance	600.00
Materials and Supplies	575.00
Utilities	2000.00
Professional Services: CPA	300.00
Attorney fees, licenses...	25.00
hoof technician	300.00
Semen & insemination	400.00
plaguicides and tick bath	120.00
milk weighing fees	216.00
Services employees not on payroll	2400.00
Freight	
Bank charges	100.00
Lease farm for dry cows and heifers, \$30.00/co	<u>1800.00</u>
<b>Total Farm expenses:</b>	60600.98

<b>Less Obligations:</b>	milk quota; interests	1920.00
	Oriental Bank Adeq. Protection	8000.00
	Trustee	<u>1000.00</u>

<b>Less personal Expenses</b>	<u>4000.00</u>
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<b>Total Farm, personal and Obligation expenses:</b>	75520.98
<b>Net Income:</b>	<u><u>1999.04</u></u>

PROJECTIONS VAQUERIA JUAN JOSE PERAZA MORA

DECEMBER 2014

MILKING 286 COWS; 12 LTS/DAY

PRODUCING 48,048 LTS BIWEEKLY

**OCCUPYING 63.27% OF MILK QUOTA**

Enter: 7 heifers

Culled: 2

Dry cows: 241

**Quota: 75,944 lts biweekly****INCOME:**

		\$
<b>MILK SALES</b> VTM	80,501 lts/28 days @ 81.623¢	65707.00
Cows sold for meat (2)		850.00
Indulac	15,599 lts/28 days @ 81.623¢/lt	12,732.00
ADEA Production Incentive	294,162 lts @ 2¢/lt	5883.00
Money in bank		<u>1999.04</u>
<b>Total Income:</b>		<b>87,171.04</b>

**Less dairy Farm Expenses**

Milk Assignments VTM; medical insurance & prog. Higi	450.98
Wages 5 employees \$1,757.00/wk	7026.00
Payroll taxes 943 PR & Unemployment	1075.00
CFSE	0.00
Feed 22 lbs/cow/day @ \$19.50/Q	33634.00
Forage 38 bales/wk @ \$32.00/bale	4864.00
<b>Purchase of cattle</b>	0.00
Medicines and Veterinary	1520.00 vet. Semanal
Farm repairs and Maintenance	595.00
Milking equipment repairs and maintenance	350.00
Farm machinery (tractor, generator,...)	400.00
Car & Truck	200.00
Gasoline and Diesel	1650.00
Farm Insurance	600.00
Materials and Supplies	575.00
Utilities	2000.00
Professional Services: CPA	300.00
Attorney fees, licenses....	25.00
hoof technician	300.00
Semen & insemination	400.00
plaguicides and tick bath	120.00
milk weighing fees	216.00
Services employees not on payroll	2400.00
Freight	
Bank charges	100.00
Lease farm for dry cows and heifers, \$30.00/co	<u>1800.00</u>
<b>Total Farm expenses:</b>	<b>60600.98</b>

<b>Less Obligations:</b> milk quota; interests	1920.00
Oriental Bank Adeq. Protection	8000.00
Trustee	<u>1000.00</u>
<b>Less personal Expenses</b>	<u>4000.00</u>

<b>Total Farm, personal and Obligation expenses:</b>	75520.98
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**Net Income:****11650.06**



## PROJECTIONS VAQUERIA JUAN JOSE PERAZA MORA

JANUARY 2015\*\*

MILKING 292 COWS; 13 LTS/DAY

PRODUCING 53,144 LTS BIWEEKLY

**OCCUPYING 70% OF MILK QUOTA**

Enter: 6 heifers

Culled: 4

Dry cows: 237

**Quota: 75,944 lts biweekly****INCOME:**

		\$
<b>MILK SALES</b> VTM	100,626 lts/35 days @ 81.623¢	82134.00
Cows sold for meat (3)		1275.00
Indulac	18,227 lts/28 days @ 81.623¢/lt	14,877.00
otros	7,594 lts /28 days @ 45¢/lt	3417.00
Money in bank		<u>11650.06</u>
<b>Total Income:</b>		113,353.06

**Less dairy Farm Expenses**

Milk Assignments VTM; medical insurance & prog. Higie	450.98	
Wages 5 employees \$1,757.00/wk	8723.00	5 wks
Payroll taxes 943 PR & Unemployment	2342.00	
CFSE	0.00	
Feed 22 lbs/cow/day @ \$19.50/Q	43844.00	
Forage 38 bales/wk @ \$32.00/bale	6080.00	
<b>Purchase of cattle 7 replacement heifers</b>	<b>11900.00</b>	
Medicines and Veterinary	1520.00	vet. Semanal
Farm repairs and Maintenance	595.00	
Milking equipment repairs and maintenance	350.00	
Farm machinery (tractor, generator,...)	400.00	
Car & Truck	200.00	
Gasoline and Diesel	2063.00	
Farm Insurance	600.00	
Materials and Supplies	575.00	
Utilities	2200.00	
Professional Services: CPA	300.00	
Attorney fees, licenses....	25.00	
hoof technician	300.00	
Semen & insemination	400.00	
plaguicides and tick bath	120.00	
milk weighing fees	216.00	
Services employees not on payroll	3000.00	
Freight		
Bank charges	100.00	
Lease farm for dry cows and heifers, \$30.00/co	<u>1800.00</u>	
<b>Total Farm expenses:</b>	<b>88103.98</b>	

<b>Less Obligations:</b>	milk quota; interests	2880.00	3 biweeks
	Oriental Bank Adeq. Protection	8000.00	
	Trustee	<u>1000.00</u>	

**Less personal Expenses** 4000.00**Total Farm, personal and Obligation expenses:** 103983.98**Net Income:** 9369.08